

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT
OF
BROWN TOWNSHIP
RIPLEY COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
09/22/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Harold Stegemoller	01-01-03 to 12-31-06
Chairman of the Township Board	John Stegemoller	01-01-03 to 12-31-06



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BROWN TOWNSHIP, RIPLEY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Brown Township (Township), for the period of January 1, 2003 to December 31, 2005. The Township's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 9, 2006

BROWN TOWNSHIP, RIPLEY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 27,532	\$ 10,548	\$ 9,404	\$ 28,676
Dog	718	352	418	652
Township Assistance	1,944	2,508	2,962	1,490
Firefighting	11,853	8,632	16,833	3,652
Fiduciary Fund:				
Levy Excess	1,392	1,033	1,392	1,033
Totals	<u>\$ 43,439</u>	<u>\$ 23,073</u>	<u>\$ 31,009</u>	<u>\$ 35,503</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 28,676	\$ 10,153	\$ 9,224	\$ 29,605
Dog	652	384	352	684
Township Assistance	1,490	6,659	3,561	4,588
Firefighting	3,652	14,329	16,300	1,681
Rainy Day	-	2,372	-	2,372
Fiduciary Fund:				
Levy Excess	1,033	-	-	1,033
Totals	<u>\$ 35,503</u>	<u>\$ 33,897</u>	<u>\$ 29,437</u>	<u>\$ 39,963</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 29,605	\$ 20,092	\$ 8,608	\$ 41,089
Dog	684	386	384	686
Township Assistance	4,588	6,452	5,987	5,053
Firefighting	1,681	17,968	17,000	2,649
Rainy Day	2,372	-	1,987	385
Fiduciary Fund:				
Levy Excess	1,033	-	-	1,033
Totals	<u>\$ 39,963</u>	<u>\$ 44,898</u>	<u>\$ 33,966</u>	<u>\$ 50,895</u>

The accompanying notes are an integral part of the schedules.

BROWN TOWNSHIP, RIPLEY COUNTY
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

BROWN TOWNSHIP, RIPLEY COUNTY EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

Harold G. Stegemoller, Trustee, had not filed an official bond in the office of the County Recorder for the period January 1, 2003 to December 31, 2006.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

TOWNSHIP ASSISTANCE

We found the following deficiencies regarding the processing of township assistance:

1. There were instances of the Application for Township Assistance (Form TA-1) not being completed.

Indiana Code 12-20-6-1(a) states: "A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household has been filed with the trustee within one hundred eighty (180) days before the date aid is extended."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

2. Documentation was not always on file showing that investigations were performed on township assistance applicants and recipients.

Indiana Code 12-20-6-9 states in part: "If an application for township assistance is made to the township trustee . . . the township trustee . . . shall carefully investigate the circumstances of the applicant and each member of the applicant's household . . ."

BROWN TOWNSHIP, RIPLEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

3. There were instances of vendor invoices/receipts not attached to the Township Assistance Purchase Order.

Whenever the administrator of township assistance of any township grants township assistance aid to any indigent person, or to any other person or agency on a township assistance order as provided by law or obligates the township for any item properly payable from township assistance funds, the claim against such township, itemized and sworn to as provided by law, and accompanied by the original township assistance order, duly itemized and signed shall be checked with the records of the administrator of township assistance, audited, and certified to, as required by law by the trustee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BROWN TOWNSHIP, RIPLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2006, with Harold G. Stegemoller, Trustee.
The official concurred with our findings.